

Remuneration Committee Terms of Reference

Role

The Remuneration Committee is a standing Committee of the Board and is responsible for ensuring that the Trust recruits, retains and develops a strong executive leadership team capable of achieving our objectives for performance. The Committee will have oversight of succession planning and senior staff pay and contractual arrangements.

The Committee will be mindful of the need to improve the diversity of the workforce so that it better reflects the populations which the Trust serves.

The Committee will agree severance payments for any member of staff – regardless of grade.

Alignment with strategic priorities

Quality

Maintain and improve the quality of services delivered by CLCH

Workforce

Make CLCH a great place to work for everyone

Definitions

“the Trust” means Central London Community Healthcare NHS Trust

“the Committee” means the Remuneration Committee

“the Directors” means the Trust’s Board of Directors¹

“very senior managers” excludes staff on agenda for change pay scales

1 Membership

1.1 Members of the Committee shall be appointed by the Board of Directors. The Committee will comprise the Chairman and two other Non-executive Directors. The Chief Executive and Director of People² will attend as required.

1.2 Only members of the Committee have the right to attend and vote at Committee meetings. The Committee may require other officers of the Trust, and other individuals such as internal and external audit to attend all or any part of its meetings as and when is necessary.

1.3 The Board shall appoint the Chair of the Committee who shall be a Non-executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the Non-executive Director members present to Chair the meeting.

2 Secretary

¹ Including interim directors

² Or equivalent title as expert advisor.

2.1 The Trust Secretary or their nominee shall act as the secretary of the Committee.

3 **Quorum**

3.1 The quorum necessary for the transaction of business shall be two Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4 **Frequency of meetings**

4.1 The Committee will meet three times per annum. The Committee may meet on additional occasions, either in person or by correspondence, as determined necessary by the Chairman.

5 **Notice of meetings**

5.1 Meetings of the Committee may be called by the secretary of the Committee at the request of any of its members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6 **Minutes of meetings**

6.1 The secretary shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 Minutes of Committee meetings should be shared with the Board at a Confidential Board of Directors meeting.

7 **Main purpose - Committee**

7.1 To determine the remuneration and terms of service for very senior managers, defined as the chief executive, executive directors and other VSM directors, including interim directors, and to ensure compliance with national guidance.

7.2 To supervise the identification and appointment of candidates to fill all the executive director positions on the board.

7.3 To review, annually, very senior manager objectives, performance assessment and personal development.

8 **Responsibilities**

8.1 **Remuneration and term and conditions**

8.1.1 The Remuneration Committee will determine: basic levels of remuneration for very senior managers; any application of cost of living or other increments; any policy on performance related pay or equivalent and specific decisions under such a scheme; any other terms and conditions which are outside generally applicable trust policy; arrangements on termination of employment and other contractual terms; local discretionary point awards made to consultants in compliance with national guidance

8.2 **Very senior managers' objectives**

8.2.1 The Committee will review annual objectives for very senior managers and performance against those objectives at mid-year and year end. It will provide input to the chief executive on the performance of other executive members of the board and will advise the chair on the chief executive's annual appraisal.

8.3 **Severance agreements**

8.3.1 To consider any matter relating to the continuation in office of any board executive director, including the suspension or termination of service of an individual as an employee of the trust, subject to the provisions of the law and their service contract.

8.3.2 To agree all severance arrangements and seek assurance that these are compliant with relevant processes, including that of the NHS Improvement / England.

8.4 **Succession planning**

8.4.1 The Committee will review the chief executive's plan for ensuring a capable "next generation" of very senior leaders as well as contingency plans in the event of a departure of key very senior managers as appropriate. The Committee will consider diversity of the top leadership team, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the board in the future.

8.5 **Board of directors vacancies**

8.5.1 When a vacancy is identified, the Committee will evaluate the balance of skills, knowledge and experience on the board and comment on the role and capabilities required for the particular appointment.

8.6 **Very senior managers' roles and organisational structure**

8.6.1 The Committee will approve job descriptions for very senior manager positions. It will also review and approve senior level organisation structure changes recommended by the chief executive, ie, those involving reporting line changes of direct reports to the chief executive paying attention to achievement of the key performance indicator in relation to black and minority ethnic (BME) staff at levels 7 and above.

9 **Other Matters**

9.1 Report any material control issues to the Audit Committee.

9.2 Give due consideration to laws and regulations.

9.3 Oversee any investigation of activities which are within its terms of reference.

9.4 At least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board of Directors for approval, any changes it considers necessary

10 **Monitoring and Review**

10.1 The Board will monitor the effectiveness of the Committee through receipt of the Committee's minutes and such written or verbal reports that the Chair of

the Committee might provide.

10.2 The secretary will assess agenda items to ensure they comply with the Committee's responsibilities.

10.3 The secretary will monitor the frequency of the Committee meetings and attendance

11 **Reporting responsibilities**

11.1 The Committee will report to the Board of Directors on its proceedings after each meeting.

11.2 The Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

11.3 Urgent decision may be made outside of meetings (for example by email), providing that a quorum of members are in written agreement and that the decision is reported and recorded at the next scheduled meeting.

12 **Authority**

12.1 The Committee is a non-executive Committee of the Board of Directors and has no powers, other than those specifically delegated in these terms of reference.

12.2 The Committee is authorised:

12.2.1 To seek any information it requires from any employee of the trust in order to perform its duties.

12.2.2 To obtain, outside legal or other professional advice on any matter within its terms of reference via the Trust Secretary.

12.2.3 To call any employee to be questioned at a meeting of the Committee as and when required.

To be agreed by Remuneration Committee 09.11.20

To be approved by Board of Directors 26.11.20

To be reviewed at least annually